

Before the  
TENNESSEE REGULATORY AUTHORITY

REC'D TN  
REGULATORY AUTH.

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OFFICE OF THE  
EXECUTIVE SECRETARY

In the Matter of:

Application of Network Access )  
Solutions Corporation for a Certificate )  
of Public Convenience and Necessity )  
to Provide Local Exchange and Interexchange )  
Telecommunications Services )

Docket No.

99-00387

**APPLICATION FOR CERTIFICATE OF  
PUBLIC CONVENIENCE AND NECESSITY**

Network Access Solutions Corporation ("NAS"), by its attorneys, hereby requests a Certificate of Public Convenience and Necessity to provide all types of intrastate telecommunications service (including local exchange, exchange access, and interexchange) throughout the State of Tennessee as both a resale carrier and a facilities-based carrier.

In accordance with T.C.A. § 65-4-201 and Rule 1220-4-8-04, NAS provides the following information in support of its Application:

1. NAS is a Delaware corporation headquartered at 100 Carpenter Drive, Suite 206, Sterling, Virginia, 20164. Its phone number is (703) 742-7700. Exhibit A contains a certified copy of NAS's articles of incorporation. We have filed an application for a certificate of authority to conduct business in Tennessee. NAS will provide this certificate to the Tennessee Regulatory Authority ("Authority") once it is issued. This certificate will identify NAS's authorized agent for service of process in Tennessee. The name and address of each NAS director and officer are set forth in Exhibit B.

2. NAS has not been involved in any acquisitions or mergers. It has one affiliate, Network Access Solutions LLC, a wholly owned Virginia limited liability company. This latter company conducts business solely in Virginia.

3. All correspondence and inquiries regarding this application should be addressed to:

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4. Initially, NAS plans to limit its Tennessee service offerings to interstate high speed special access data transmission service. However, it intends later to provide intrastate data transmission service too. Although NAS has no present plans to provide other types of intrastate service (including exchange service and intrastate interexchange toll telephone service), it nonetheless requests authority to provide all types of intrastate telecommunications service in the event it later decides to offer these other services. NAS requests authority to provide service in all areas in Tennessee that can be served under existing law.

5. NAS intends to utilize the resale, unbundled network element, and network interconnection provisions in Sections 251 and 252 of the Communications Act of 1934, 47 U.S.C. §§ 251 and 252, in providing service. NAS and BellSouth already have entered into an interconnection agreement that authorizes NAS (1) to interconnect its network with the BellSouth network, (2) to obtain unbundled network elements, collocation, and OSS from BellSouth, and (3)

to resell BellSouth's retail offerings. That agreement will be submitted to the Authority for approval once the Authority grants the present Application.

6. NAS is currently authorized to provide intrastate telecommunications services in Delaware, Massachusetts, New Jersey, New York, and Pennsylvania. Its wholly owned subsidiary, Network Access Solutions LLC, is authorized to provide intrastate telecommunications service in Virginia. Applications in Maryland, the District of Columbia, and South Carolina are currently pending. NAS also plans to file applications to provide intrastate service in Connecticut, North Carolina, Georgia, Florida, Louisiana, Alabama, Mississippi, and Kentucky. No state PUC has denied an application by NAS for authority to provide intrastate telecommunications service. NAS presently provides interstate data transmission service in New York, Massachusetts, Pennsylvania, Maryland, the District of Columbia, and Virginia. It does not yet provide intrastate telecommunications service in any state.

7. NAS is technically and managerially qualified to provide the services for which authority is requested in this application. The telecommunications expertise of the relevant officers and directors of NAS is discussed in Exhibit C.

8. Exhibit D, which is NAS's prospectus for an initial offering of equity securities to the public, demonstrates that the company is financially qualified to provide intrastate telecommunications service. The prospectus was filed with the SEC on May 12, 1999. It projects that NAS will raise more than \$130 million when the stock offering occurs. NAS anticipates that the offering will occur within the next few weeks. The prospectus also includes the company's audited income statement for calendar years 1996 through 1998, as well as the company's audited balance sheet as of December 31 of each of the last two years.

9. If granted certification, NAS has concrete plans to provide intrastate data transmission service. NAS might in the future also provide other forms of intrastate service (including local exchange telephone service and intrastate interexchange toll telephone service for both residential and business customers), although it has no firm plans at present to do so. If NAS does provide local telephone exchange service in the future, its offering would include 4-1-1 and E9-1-1 service; directory and operator assistance; consumer access to and support for the Tennessee Relay Center in the same manner as access and support is provided by the incumbent local exchange carriers with whom it will compete; free blocking of 900 and 976-type services in accordance with Authority policy; Lifeline and Link-up services to qualifying residents; educational discounts in existence as of June 6, 1995; support for universal service consistent with Authority policy; and nondiscriminatory interconnection with all authorized interLATA and intraLATA long distance carriers. In addition NAS will comply with all basic service standards as defined by the Authority. Any intrastate data transmission, exchange or interexchange service provided by NAS will be tarified to the extent required by the Authority.

10. NAS has completed Year 2000 compliance testing for its internal systems and believes that these systems are Year 2000 compliant. NAS also has substantially completed a Year 2000 compliance check of the equipment it obtains from its external suppliers. Based on responses from those third parties, NAS believes that it will not experience Year 2000 problems that would materially and adversely affect its business.

11. Once it initiates intrastate telecommunications service in Tennessee, NAS will maintain a toll-free number for handling customer inquiries and requests for service, and it will take reasonable steps to ensure that every NAS customer is aware of this number. The company will

inform the Authority of this number prior to initiation of service. NAS's customer service representatives will be available 24 hours a day, seven days a week. NAS will seek to initiate service to a customer within five business days of receiving the service request, and it will try to resolve each customer complaint within seven business days of the date it is received. NAS's director of customer service for all states in which NAS operates is David Casti. He can be reached at (703) 742-7700. NAS does not intend to require customer deposits in connection with its intrastate data transmission service, which as indicated above, is the only type of intrastate service that the company presently plans to offer. Decisions about whether to require customer deposits for any other intrastate services that the company chooses to provide in the future (including local exchange or long distance toll service) will be made at the time it decides to offer such services.

12. A customer who subscribes to the data transmission services that NAS plans to offer in Tennessee will incur a nonrecurring charge for activation and for the high speed modem that will be installed at the customer's premises (if the customer chooses to obtain the modem from NAS). The nonrecurring charge presently is set at \$270 in states where NAS provides interstate data transmission service. The company would anticipate a similar charge in connection with its provision of intrastate data service.

13. As required by T.C.A. § 65-5-212, NAS's small and minority-owned business participation plan is included in Exhibit E.

14. NAS will provide intrastate service in a manner that meets any standards that the Authority may adopt, and the company will adhere to all applicable Authority policies, rules and orders.

15. Granting NAS authority to provide intrastate telecommunications service in Tennessee will enhance competition in the provision of intrastate services in Tennessee. Through a combination of its own equipment and unbundled network elements, the company will offer its residential and business subscribers services that either are currently unavailable or are out of reach of all but the most sophisticated telecommunications customers. Granting the application will also lead to additional private investment in Tennessee's telecommunications infrastructure. Moreover, it will prompt other telecommunications providers to improve their services, to become more efficient, and to introduce service innovations of their own.

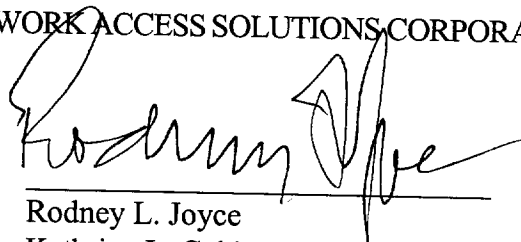
16. NAS has served a notice that it has filed this application on each party named in the Certificate of Service that accompanies the application.

**WHEREFORE**, based on the foregoing, NAS respectfully requests that the Authority issue an order granting NAS a Certificate of Public Convenience and Necessity to provide intrastate telecommunications service within the State of Tennessee as described above.

Respectfully submitted,

NETWORK ACCESS SOLUTIONS CORPORATION

By:



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Dated: May 28, 1999